

By: Armbrister

S.B. No. 1535

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to contracts between hospitals and preferred provider  
3 benefit plan issuers.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter E, Chapter 1301, Insurance Code, as  
6 effective April 1, 2005, is amended by adding Section 1301.202 to  
7 read as follows:

8 Sec. 1301.202. CONTRACTS WITH HOSPITALS. (a) An insurer  
9 that contracts with hospitals to provide services to insureds under  
10 a preferred provider benefit plan may not deny a hospital the  
11 opportunity to participate in providing health care services as a  
12 preferred provider solely because the hospital is not accredited by  
13 the Joint Commission on Accreditation of Healthcare Organizations  
14 or another specified national accrediting body. If a hospital is  
15 certified by the Medicare program, Title XVIII of the Social  
16 Security Act (42 U.S.C. Section 1395 et seq.), or accredited by the  
17 Joint Commission on Accreditation of Healthcare Organizations or  
18 another national accrediting body, an insurer shall accept that  
19 certification or accreditation.

20 (b) This section does not limit an insurer's authority to  
21 establish other reasonable terms under which a hospital may provide  
22 health care services to individuals covered by a preferred provider  
23 benefit plan.

24 (c) On the request of a hospital, the commissioner shall

1 conduct an investigation, review, hearing, or other proceeding to  
2 determine whether an insurer is complying with this section.

3 (d) The commissioner shall take reasonable action to ensure  
4 compliance with this section, including issuing orders and imposing  
5 sanctions.

6 SECTION 2. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2005.